

7. STRENGTHENING THE FEDERAL WORKFORCE

The strength of any organization rests on its people, and the people who serve in Government are the Federal Government's most important assets. As the Nation's largest employer, more than four million Americans work for the Federal Government, both at home and overseas. Those serving in Government today are dedicated and talented professional public servants. This chapter outlines the Administration's commitment to public servants, demonstrated by the actions taken and those forthcoming to be a model employer by ensuring a safe work environment, bolstering employee engagement, fostering intern and early career hiring, and promoting diversity, equity, inclusion, and accessibility. This chapter also analyzes the current state of the Federal workforce, and how it has changed over the years, including data that have been pivotal in informing the Administration's workforce priorities, strategies, and initiatives.

The Federal Government can only realize its vision of being a model employer by continuously evaluating and improving how its workforce is supported and engaged. It starts with offering the Administration's unwavering support for the Federal workforce by treating them with dignity and respect and providing them the resources they need to carry out agency missions.

Federal employees have demonstrated incredible resilience during the pandemic to ensure their agencies deliver on critical missions, even as they have had to grapple with personal adversity, as has been the case for individuals and families across the Nation. Many Federal employees have worked onsite or in the field throughout the pandemic; at the same time, many Federal employees have been working for the past two years in different environments than they were previously, supported by technology that has enabled distributed, hybrid work.

The Federal Government now faces an extraordinary opportunity to rethink workforce planning and management. The Administration has embraced this opportunity, with the November 2021 launch of the multi-year, cross-cutting President's Management Agenda (PMA). For the first time in recent history, a focus on strengthening and empowering the Federal workforce is at the forefront of the PMA. Through the PMA, and supported by the President's Budget, agencies will take steps to ensure that the Federal workforce is strong, empowered, and well equipped to effectively deliver for the public.

Employers need the right skills in the right job at the right time. The Federal Government, as the Nation's largest employer, is no different. This includes improving Government systems to hire, retain, and develop the people with the skills needed to deliver agency missions, as well as having a workforce that reflects the full diversity of America at every employment level. The PMA recognizes

that the Federal Government must be a model employer to achieve these overarching workforce goals, imbued with high employee engagement and a commitment to respect and support workers' rights to organize and bargain collectively, including by ensuring that Federal employees have a voice in their workplaces through their unions.

Being a model employer also involves evolving Federal workplaces and work practices to reflect the needs of the workforce today and tomorrow, reflecting trends in the U.S. labor market—a market for talent that has rapidly evolved as a result of innovation, technologies, tools, and lessons learned throughout the pandemic. For example, private sector employers have moved quickly to leverage the opportunities emerging from a changing world. To compete, the Federal Government must move quickly to design, test, and adopt approaches that will build diverse Federal talent pipelines and engage and retain that talent once hired, while simultaneously strengthening protections that preserve the non-partisan, merit-based civil service that is a hallmark of American democracy. The Federal Government's rules, processes, and institutional norms must support agencies as they evolve how they work, making the Federal Government more efficient, resilient, and effective.

A sizeable percentage of the Federal workforce is eligible to retire today (15 percent) and in the next five years (30 percent). Replacing the valuable contributions and skillsets of retiring public servants will be a challenge, given the competitive U.S. labor market. Coupled with longstanding, additional challenges stemming from a fragmented hiring process—challenges that have become further complicated and cumbersome for applicants and agencies alike—agencies face obstacles as they seek to recruit, hire, engage, and retain early career talent in particular in high-demand career fields, and in certain geographic areas.

To deliver on the Administration's priority to strengthen and empower the Federal workforce, the PMA vision serves as a roadmap for ensuring an equitable, effective, and accountable Federal Government that delivers results for all.

The Budget begins to put the PMA into action, by focusing resources on specific Federal workforce initiatives that will help lay the groundwork for success on a multi-year strategy. Namely, the Budget makes dedicated new investments to:

- Provide a pay increase of 4.6 percent for both civilian and military employees.
- Attract and hire the most qualified employees, including by developing a diverse and competent early-career pipeline by bolstering Federal paid in-

ternship programs and providing funds to support increased paid internship programs.

- Build on the concept of Federal agency “Talent Teams” as introduced in the 2022 Budget, providing a means and method to identify agency strategic human capital needs and translate those needs into hiring actions.
- Improve Federal hiring processes, by scaling innovative assessment and hiring processes like Subject Matter Expert Qualification Assessments (SMEQA) and enabling the sharing of qualified applicant lists among agencies, so agencies can find and hire high quality applicants more quickly.
- Expand the Federal presence, capacity, and recruitment efforts in communities outside of the Washington, D.C. Metro area – by reforming, reimagining, and strengthening Federal Executive Boards (FEBs) across the Nation.

In addition to specific investments through the Budget, the PMA sets forth the following four strategies to strengthen and empower the Federal workforce that will require leadership engagement, policy changes, and data-driven changes in organizations across the Government in the near and longer term:

Strategy 1: Attract and hire the most qualified employees, who reflect the diversity of our country, in the right roles across the Federal Government

Over the course of 2021, the Administration has made progress toward realizing hiring reform and in setting the stage for improving diversity, equity, inclusion and accessibility. Considerable work remains ahead as agencies implement new practices and further strengthen agency culture.

Recruiting Highly Qualified Talent

The number of interns in the Federal Government has decreased significantly over the past 10 years. Over that same time period the portion of the workforce under 30 years of age has also decreased. The Administration believes one of the most impactful ways to rebuild the Federal Government’s lagging early-career talent pipeline is to revive Federal internship programs. There are a number of current programs and authorities available to agencies to hire interns, and these opportunities are often underutilized. Benefits of paid internship programs include increasing the chances of students gaining a full-time position after graduation, improving our ability to hire diverse candidates, allowing agencies to develop employees for specific business needs and critical skillsets, and serving as a trial period for agencies and interns to determine if the individual is a good fit for permanent employment. Agencies included in the Chief Financial Officers Act of 1990 (P.L. 101-576) (CFO Act agencies) have committed to hiring over 35,000 interns in 2023, which will be an increase over 2022 projected intern hiring.

Agencies are incorporating internships into workforce planning, and prioritizing resources to increase paid internship opportunities. The President’s Management Council has formed an internship working group that will lead and guide improvements to internship policies and procedures, including working with the Office of Personnel Management (OPM) to reduce barriers to hiring a diverse group of paid interns and bolster Federal internship programs. This initiative is augmented by regulations published by OPM in 2021 that provide new hiring flexibilities for post-secondary students and college graduates, as authorized by amendments made to title 5 of the United States Code by section 1108 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (P.L. 115-232; 5 U.S.C. 3115-16).

In addition to the heightened need and commitment to recruit interns and early career talent, Federal agencies face recruitment and retention challenges in other mission-critical skill areas, such as human resources (HR). Over the last five fiscal years, retention rates for HR management professionals have consistently trailed the Government-wide average retention rate (69.7 percent to 77.2 percent).¹ To help the Federal Government recruit and retain people with critical HR skills and leverage lessons learned during the pandemic, OPM is regularly consulting with agencies and providing guidance to assist them in developing and implementing flexible work arrangements as well as exploring policies to advance fair and equitable pay, empowering growth with developmental opportunities, and sustaining a culture of proactive agility through leadership and collaboration. OPM has taken additional steps to eliminate the barriers for employees who left Government to come back into service, including issuing regulations in 2021 that facilitate hiring former Federal employees with competitive status, as well as military spouses, who bring valued voices and expertise to civilian roles. Federal agencies are also exploring opportunities to encourage mobility between Government and industry to bring new perspectives and skills to the Federal Government. These activities will be continued and scaled under the PMA.

To help accelerate the recruitment and onboarding of interns and early career talent, OPM and the Office of Management and Budget (OMB) expect to work with agency Deputy Secretaries, Chief Human Capital Officers, and other agency executives across the Nation. In addition, the Federal network outside of Washington, D.C. will be engaged in these efforts, as described further below on the funding model and governance structure of the FEB network.

Improving the Effectiveness of the Hiring Process

Ensuring qualified and rigorously assessed applicants have a chance at serving their Nation fulfills the foundational values of the civil service while maximizing the talents of Federal agency HR staff. Consistent with merit systems principles, this focused effort will not only make

¹FY 2016-2020 workforce retention rate data, U.S. Office of Personnel Management.

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Table 7-1. HIRING TRENDS SINCE 2016

Federal Civilian Workforce	SEP 2016	SEP 2017	SEP 2018	SEP 2019	SEP 2020	SEP 2021
Total Federal Workforce Count*	2,097,038	2,087,747	2,100,802	2,132,812	2,181,106	2,191,011
Average Age	47.1	47.2	47.1	47.1	47.0	47.0
Total Under 30	7.88%	7.55%	7.76%	8.07%	8.39%	8.33%
Total 55 and over	28.16%	28.79%	28.99%	29.17%	29.11%	28.98%
Male	56.70%	56.60%	56.44%	56.27%	55.90%	55.56%
Female	43.29%	43.38%	43.52%	43.72%	44.10%	44.44%
All Disabilities	9.46%	10.49%	12.38%	13.89%	15.33%	17.01%
Targeted Disabilities (These totals are included in the total disability #'s above)	1.10%	2.69%	2.66%	2.61%	2.56%	2.52%
Veteran	29.33%	29.43%	29.34%	29.15%	28.78%	28.37%
American Indian or Alaskan Native	1.71%	1.69%	1.66%	1.63%	1.62%	1.62%
Asian	5.86%	5.99%	6.10%	6.01%	6.17%	6.49%
Black/African American	17.91%	18.15%	18.21%	18.02%	18.06%	18.19%
Native Hawaiian or Pacific Islander	0.49%	0.51%	0.52%	0.52%	0.54%	0.56%
More Than One Race	1.47%	1.60%	1.73%	1.82%	1.91%	2.01%
Hispanic/Latino (H/L)	8.46%	8.75%	9.08%	9.14%	9.33%	9.53%
White	64.04%	63.26%	62.63%	61.22%	60.86%	61.20%

Source: U.S. Office of Personnel Management

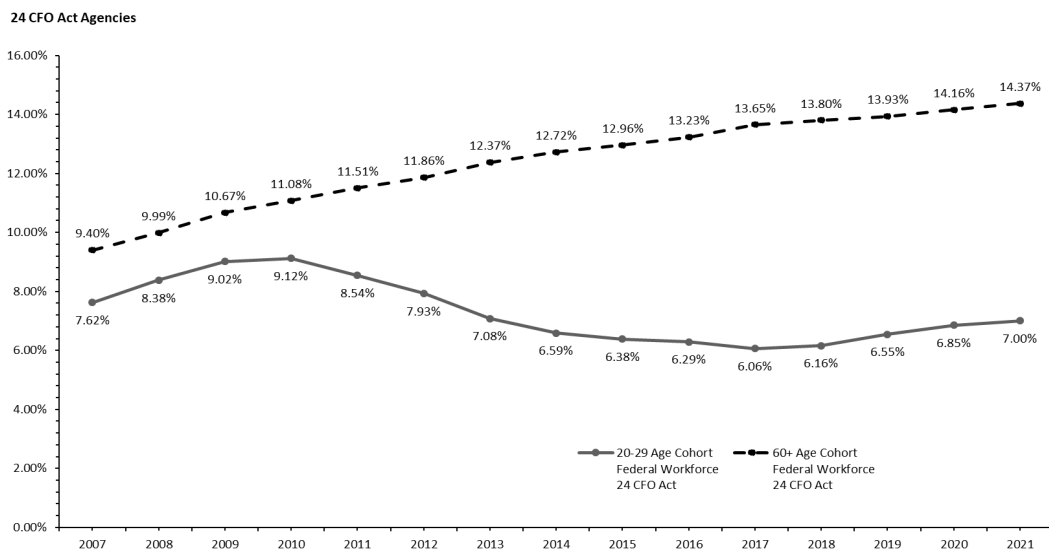
* Total count varies slightly from other sources because of date and data collection method

the hiring process easier to navigate for applicants and managers, but will make the process more effective by helping to ensure that the most qualified applicants are seen by managers, quality candidates are able to be hired, and those who are qualified but not ultimately selected can still receive offers from other Federal agencies.

The Budget both expands agency Talent Teams and provides funding for select agencies to share their high-

quality competitive hiring announcements with other Federal agencies. This will help decrease the number of public announcements without any selections and increase applicant placement, leading to an improved applicant experience and ensuring agency hiring managers can select the talent they need. To scale these best practices, OPM is building functionality to engage subject matter experts (SMEs) in technical assessments and leveraging

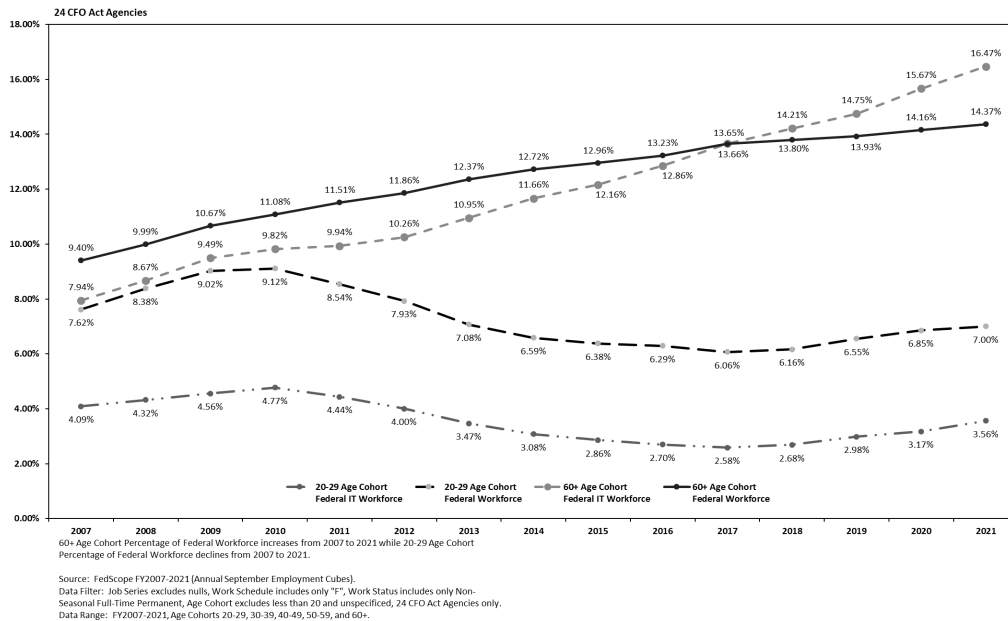
Chart 7-1. Potential Retirees to Younger than 30 Employees: Federal Workforce



60+ Age Cohort Percentage of Federal Workforce increases from 2007 to 2021 while 20-29 Age Cohort Percentage of Federal Workforce declines from 2007 to 2021.

Source: FedScope FY2007-2021 (Annual September Employment Cubes).
 Data Filter: Job Series excludes nulls, Work Schedule includes only "F", Work Status includes only Non-Seasonal Full-Time Permanent, Age Cohort excludes less than 20 and unspecified, 24 CFO Act Agencies only.
 Data Range: FY2007-2021, Age Cohorts 20-29, 30-39, 40-49, 50-59, and 60+.

Chart 7-2. Potential Retirees to Younger than 30 Employees:
Federal IT Workforce Vs. Federal Workforce



centralized technology platforms to allow agencies to share approved applicant lists, so hiring managers can quickly see resumes of applicants who have been assessed and are “pre-cleared” for immediate selection.

Throughout 2021, OPM and OMB continued to work with agencies through a process known as SMEQA to incorporate SMEs earlier in the qualifications process to help assess technical experience. For example, the U.S. Digital Service, OMB, OPM, and the Chief Data Officer Council partnered on a single shared data scientist announcement that resulted in nearly 50 high-level and highly sought-after data scientists accepting permanent job placements in more than a dozen Federal agencies. Using the same SMEQA process, the Department of State hired 73 new employees from a single competitive hiring action for Foreign Affairs Officers. More agencies are staffing up assessment expertise to be able to create in-house technical assessments with the skilled technical staff they already have on board.

In FY 2022, most of the CFO Act agencies identified dedicated staff for newly established talent teams and dedicated financial resources toward improving hiring assessments and developing new tools to help improve hiring outcomes. Increased collaboration between hiring managers and their HR offices will improve the hiring process further. This strong foundation is critical to the work that will continue in FY 2023.

The Budget acknowledges the complex and long-standing challenges facing the Federal Government while reflecting a commitment to innovation, improvement, and performance. The Federal workforce is composed of dedicated public servants who work to improve the lives

of the American people. The Budget demonstrates the Administration’s commitment to them.

Civil Service Diversity, Equity, Inclusion, and Accessibility

On June 25, 2021, the President signed *Executive Order 14035, “Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce,”* followed by a “Government-wide Strategic Plan to Advance Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce,” issued on November 23, 2021. The Executive Order stated that it is the policy of the Administration to be a model for diversity, equity, inclusion, and accessibility, where all employees are treated with dignity and respect. There is increasing evidence that diverse, equitable, inclusive, and accessible workplaces yield higher performance. This Executive Order focuses both on hiring a diverse workforce and on creating a culture in Federal agencies that supports diversity, equity, inclusion, and accessibility (DEIA) and provides an inclusive environment. In response to this Executive Order, agencies have established dedicated DEIA teams and conducted self-assessments of the current state of agency DEIA practices and programs, HR processes, and workforce composition. Over the course of FY 2022, Federal agencies are building strategic plans and action plans to operationalize best practices around diversity, equity, inclusion, and accessibility in FY 2023 and beyond.

In 2021, more Federal employees identified as members of historically underrepresented groups than in prior years. According to data from OPM from September 2021, the Federal civilian workforce self-identified as 61.2 per-

cent White; 18.2 percent Black; 9.5 percent Hispanic of all races, a slight increase from 9.4 percent (compared to December 2019); 6.5 percent Asian/Pacific Islander; 1.6 percent Native American/Alaskan Native; and 2.0 percent more than one race, a slight increase from 1.9 percent (compared to December 2019). Men make up 55.6 percent of all permanent Federal employees, and women represent 44.4 percent, which is up from 43.9 percent. Veterans make up 30.1 percent of the Federal workforce, which is significantly higher than the percentage in the private sector non-agricultural workforce. 16.5 percent of all Federal employees self-identify as having a disability, which includes the approximately 2.6 percent who have a “targeted disability,” such as blindness. Table 7–1 shows the staffing trends since 2016.

The Federal workforce has an average age of 47 years. Almost 29 percent (635,016) of employees are older than 55, while 8.3 percent (182,472) of employees are younger than 30, an increase from 8.1 percent (compared to December 2020). Chart 7-1 shows a widening age gap at the 24 large and mid-sized agencies since 2007. This gap carries into each career field. As an example, Chart 7-2 demonstrates the growing age disparity in the information technology sector that in particular shows the drop in the percentage of the Federal workforce under the age of 30 since 2010, when Federal internships and hiring programs for recent graduates became subject to new restrictions.

Personnel Vetting Transformation

The Administration is prioritizing improvements to how the Executive Branch vets its military, civilian, and contractor workforce through the Security, Suitability, and Credentialing Performance Accountability Council (PAC). These reforms encompass the policies, processes, and tools used to determine whether personnel should be trusted to provide needed services, be good stewards of taxpayer dollars, and protect sensitive information. During 2021, the Administration transitioned its national security sensitive workforce—those with access to classified and other sensitive information—from periodic background investigations into an initial continuous vetting capability under the Trusted Workforce 2.0 initiative. The Budget supports agencies continuing preparations to implement additional PAC reforms that will further modernize the personnel vetting system. These reforms will increase worker mobility, reduce time-to-hire timeframes, and increase employee engagement, as well as increase shared services and information sharing. Moreover, these reforms are aligned with and supportive of the Federal Government’s broader efforts to recruit and retain a diverse and talented workforce.

Federal Executive Board Reform

In November 1961, President Kennedy issued a Presidential Directive establishing FEBs as a forum of workforce communication and collaboration outside of Washington, D.C. for the “improvement of the management and direction of Federal offices throughout the

country.”² With FEBs celebrating their sixtieth anniversary in 2021, the Administration is introducing a refreshed FEB funding and governance model to support operational viability for FEBs. FEBs will focus on advancing Administration priorities through implementation of the President’s Management Agenda in Federal agencies and offices across the Nation, including by assisting agencies in strategic and collaborative efforts to recruit new talent. These reforms are timely and can bolster the increased collaboration that occurred outside of Washington, D.C., throughout the Nation during the pandemic due to virtual platforms that extended the reach of agencies and their employees.

A new \$10 million interagency annual Line of Business (LOB) for funding and a governance model that establishes a FEB Program Management Office (PMO) will replace the current ad hoc funding structure. Fluctuating commitments of budget and staff by employing agencies previously jeopardized a sustained, dedicated approach over time. Centered around a coordinated set of workforce and Administration priorities, FEBs will focus on local recruitment efforts helping to build the next generation of Federal talent from diverse communities. In particular, leveraging FEBs to build internal and external relationships that will fortify Federal talent pipelines and recruitment is urgent given the challenges Federal agencies face around Federal hiring.

It is expected that this FEB reform effort will lead not only to a new governance structure in Washington, D.C., but also to enhanced practices in FEBs across the Nation. A greater focus on pooling resources in areas of common interest will advance program efficiencies and cost savings and lead to better engagement opportunities for Federal employees in the field enhancing overall agency mission resilience. For example, FEBs will have expanded resources and capabilities to support the Federal workforce in engaging directly with their communities and serving as coordinated and targeted recruitment hubs that can connect Federal agencies with regional talent pools, such as local educational institutions. Renewed FEBs will be able to assist in ensuring a more diverse workforce with representation from underserved communities and regions across the Nation. FEBs can foster intergovernmental collaboration in the field through coordination with State, tribal, local, and territorial government partners for improved mission delivery, such as supporting veterans, collaboration on climate issues, equitable outreach to underserved communities, and rebuilding the economy.

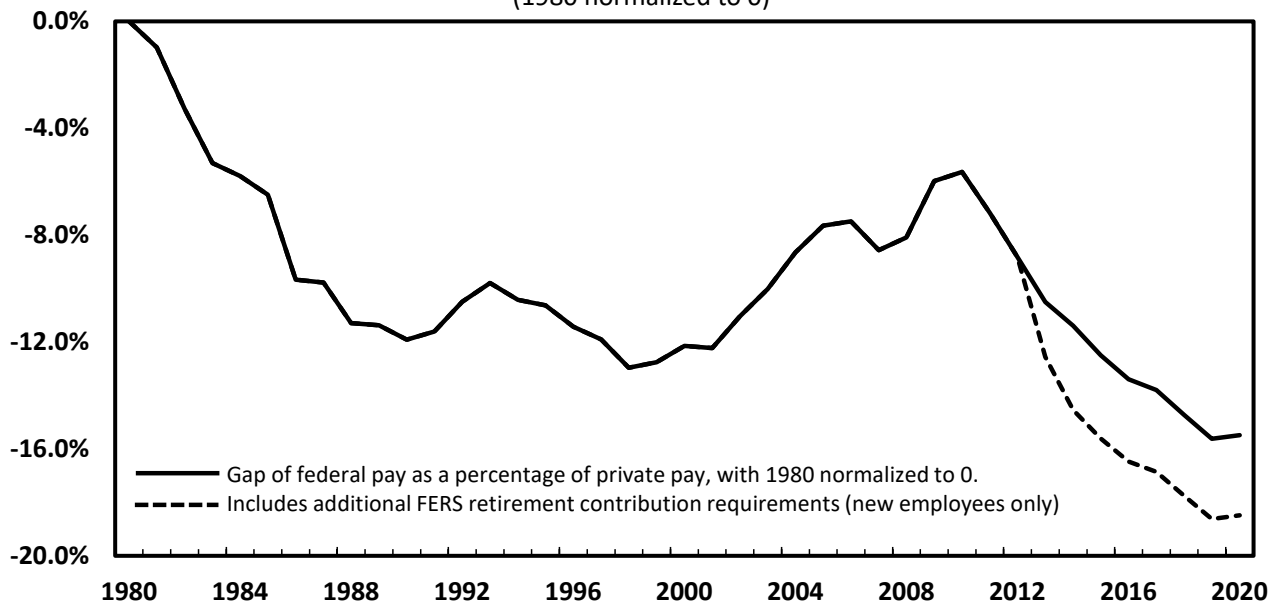
Strategy 2: Make every Federal job a good job, where all employees are engaged, supported, heard, and empowered, with opportunities to learn, grow, join a union and have an effective voice in their workplaces through their union, and thrive throughout their careers

Data show that an engaged workforce is a more effective workforce. The Gallup 2017 State of the American

²Memorandum on the Need for Greater Coordination of Regional and Field Activities of the Government, President John Kennedy, November 10, 1961

Chart 7-3. Federal vs. Private pay differential

(1980 normalized to 0)



For newly hired federal employees, FERS contributions increased 2.3 percentage points for employees hired in 2013 and an additional 1.3 percentage points for employees hired in 2014 or after.

Sources: Public Laws, Executive Orders, Office of Personnel Management, OPM Memoranda from federal websites, Congressional Budget Office, and Bureau of Labor Statistics.

Notes: Federal pay is for civilians and includes base and locality pay. Private pay is measured by the Employment Cost Index wages and salaries, private industry workers series.

Workplace Report shows that business units in the top quartile of engagement have over 40 percent lower absenteeism, between 24 percent and 59 percent lower turnover, 70 percent fewer employee safety incidents, 10 percent higher customer metrics, 17 percent higher productivity, 20 percent higher sales, and 21 percent higher profitability.³ Employee engagement in the Federal Government has improved since the initiative began in 2014. Employee engagement has risen from 63 percent on the 15-question index in 2014 to 72 percent in 2020. The multi-faceted approach of providing the survey results back to managers and supervisors, engaging leadership at all levels in creating a dialogue around actions that can be taken, and holding managers and supervisors accountable for progress by incorporating Federal Employee Viewpoint Survey (FEVS) results into Senior Executive Service (SES) members' performance plans and appraisals has yielded steady improvements. With Federal workplaces and the Federal workforce undergoing change and transition, it is more important than ever to bolster and improve employee engagement to maintain and retain a strong and dedicated civil service, through a workplace culture that values inclusion, feedback, dialogue, respect, safety, and accountability.

Over the course of FY 2023, the Administration will continue to make progress in agency relations with Federal

employee unions, while also striving for continued improvements on Federal employee engagement measures. 2021 was a model year with regard to the Administration's work and engagement with Federal employee unions. With guidance and leadership from OPM, agencies reset labor relations across the Federal Government, engaged with unions to keep workers safe during the pandemic, re-instituted long-standing provisions intended to facilitate effective union representation of workers (such as official time and union office space), expanded the scope of workplace topics on which agencies engage their unions, and also rolled back many anti-union policies put in place by the previous administration.

Moreover, the administration launched a Task Force on Worker Organizing and Empowerment, which issued a report outlining over 70 strategies to reduce barriers to worker organizing in all sectors. In furtherance of that report, Federal agencies have been directed to: include additional bargaining unit information in job announcements; involve unions in the new employee orientation process; provide new bargaining unit employees with information on their workplace rights under the Federal Service Labor-Management Relations Statute (FSLMRS) (Public Law 95-454, Title VII of the Civil Service Reform Act of 1978) during new employee orientation and on an ongoing basis; and highlight employees' rights to join a union. Further, the Administration is working to ensure

³State of the American Workplace (gallup.com)

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Table 7-2. FEDERAL CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH
(Civilian employment as measured by full-time equivalents (FTE) in thousands, excluding the Postal Service)

Agency	Actual		Estimate	2023	Change: 2022 to 2023	
	2020	2021	2022		FTE	Percent
Cabinet agencies						
Agriculture	79.3	83.7	89.6	99.8	10.2	11.4%
Commerce	83.2	46.5	42.1	44.5	2.4	5.8%
Defense--Military Programs	776.8	783.2	786.0	790.8	4.9	0.6%
Education	3.7	4.0	4.0	4.3	0.3	8.1%
Energy	14.1	14.4	15.2	16.4	1.2	8.1%
Health and Human Services	75.1	78.4	81.6	84.5	2.9	3.5%
Homeland Security	197.5	201.6	197.3	206.5	9.3	4.7%
Housing and Urban Development	7.6	7.9	8.1	8.9	0.8	9.8%
Interior	60.6	62.0	63.4	68.1	4.7	7.4%
Justice	114.2	115.9	116.6	123.2	6.6	5.6%
Labor	14.5	14.7	15.4	17.2	1.8	11.7%
State	24.9	25.0	25.4	26.0	0.7	2.6%
Transportation	53.5	53.7	54.5	56.1	1.6	2.9%
Treasury	90.7	93.9	96.3	101.7	5.3	5.5%
Veterans Affairs	389.4	402.8	406.9	435.8	29.0	7.1%
Other agencies -- excluding Postal Service						
Bureau of Consumer Financial Protection	1.4	1.6	1.6	1.7	*	2.8%
Corps of Engineers--Civil Works	24.0	23.5	23.1	23.1	.....	.....
Environmental Protection Agency	13.9	14.0	14.9	16.6	1.7	11.2%
Equal Employment Opportunity Commission	1.9	1.9	2.1	2.1	0.1	3.8%
Federal Communications Commission	1.4	1.5	1.5	1.6	0.1	8.7%
Federal Deposit Insurance Corporation	5.8	5.9	6.3	6.3	*	0.1%
Federal Trade Commission	1.1	1.1	1.1	1.4	0.3	26.3%
General Services Administration	11.4	11.6	12.3	12.6	0.2	1.9%
International Assistance Programs	5.7	5.5	5.8	6.2	0.5	8.1%
National Aeronautics and Space Administration	17.2	16.8	17.7	17.6	-0.2	-0.9%
National Archives and Records Administration	2.8	2.7	2.8	3.0	0.2	6.8%
National Credit Union Administration	1.1	1.1	1.2	1.2	*	0.7%
National Labor Relations Board	1.2	1.2	1.2	1.3	0.1	7.4%
National Science Foundation	1.4	1.5	1.5	1.6	0.1	9.8%
Nuclear Regulatory Commission	2.8	2.8	2.9	2.9	*	0.5%
Office of Personnel Management **	2.5	2.4	2.3	2.5	0.3	11.4%
Securities and Exchange Commission	4.4	4.5	4.5	4.8	0.3	6.2%
Small Business Administration	4.8	6.0	10.7	5.6	-5.1	-47.9%
Smithsonian Institution	4.9	4.9	5.0	5.1	0.2	3.2%
Social Security Administration	60.3	59.9	58.9	60.0	1.1	1.8%
Tennessee Valley Authority	10.0	10.2	10.6	10.6	.....	.....
U.S. Agency for Global Media	1.7	1.6	1.7	1.7	*	0.7%
Other Defense--Civil Programs	1.0	1.1	1.1	1.2	*	3.3%
Total, Executive Branch civilian employment .....	.....	.....	.....	.....	.....	.....

* 50 or less.

** Includes transfer of functions to the General Services Administration and to other agencies.

that Federal jobs pay a living wage by implementing a new policy providing that all Federal jobs are paid at a rate of at least \$15 per hour.

Retaining Valued Workers in a Rewarding and Inclusive Environment

The Budget reflects a pay increase of 4.6 percent for both civilian and military employees. Between 2009 and 2020, U.S. average worker pay rose by 38 percent while Federal civilian pay increases amounted to only a 15

percent rise. Chart 7-3 demonstrates the growing gap of Federal pay as a percentage of private sector pay. The differential between Federal civilian pay and private sector pay expanded substantially over this period, creating meaningful attrition risk within the existing workforce, reducing the competitiveness of Federal jobs, and devaluing the contributions of the Federal workforce to the Nation. The proposed Federal pay increase is needed to prevent Federal pay from falling even further behind. This pay raise helps ensure fair compensation for employees, by keeping pace with economic indicators – and, also

recognizes the Federal workforce's tireless and selfless dedication to mission and service to the American people. Federal pay adjustments have not kept pace with the national labor market overall, or increases in the cost of goods, services, and benefits. The 2022 and 2023 civilian pay adjustments, consistent with the Employment Cost Index, are steps to address that imbalance. Additionally, the Administration is proposing a number of changes to Federal compensation to include: modifying critical position pay, establishing a critical skills incentive, increasing the special rate limitation for certain positions, and updating General Schedule pay setting for new appointments.

Looking beyond pay, one key aspect of retaining valued workers is ensuring that every individual can feel a "part" of the workforce, and that they belong, with an ability to bring their whole self into the workplace, without fear of exclusion, discrimination, or bias. Research shows that an employee's supervisor plays a critical role in creating an inclusive environment in the workplace. In 2020, 79 percent of Federal employees reported on the OPM FEVS that "My supervisor is committed to a workforce representative of all segments of society," and 85 percent reported that "My supervisor supports my need to balance work and other life issues."⁴ These are both critical indicators to monitor as agencies focus on supporting supervisors in creating the inclusive workplaces.

Strategy 3: Reimagine and build a roadmap to the future of Federal work informed by lessons from the pandemic and nationwide workforce and workplace trends

On January 20, 2021, the President directed actions to protect the Federal workforce, including by creating the interagency Safer Federal Workforce Task Force to provide ongoing guidance to agencies on the operation of the Federal Government, the safety of its employees, and the continuity of Government functions during the COVID-19 pandemic. Agencies have worked closely with the Safer Federal Workforce Task Force to develop and update COVID-19 workplace safety plans to outline processes and procedures to ensure the health and safety of all Federal employees, onsite contractor employees, and individuals interacting with the Federal workforce, consistent with guidelines from the Centers for Disease Control and Prevention.

Throughout the pandemic, the more than 4 million Federal employees have been hard at work, protecting our country, providing critical services, and combatting COVID-19 and its impacts—with hundreds of thousands doing so in the field or in their agency workplaces. As more Federal employees come back together in physical workplaces, agencies will build on the innovations, tools, and technologies that were put into practice over the last two years to make the Federal Government even more efficient, resilient, and effective. Agencies are working to seize this transformational moment, taking this opportunity to learn from the changes made during the pandemic to help rethink how Federal Government work

is conducted. Informed by lessons learned as the Federal workforce increasingly operates in a more hybrid and distributed environment, agencies aim to fully leverage new technologies, break down barriers to collaboration, leverage new ways to deliver services, and examine how to optimize the Government's real property footprint to support agency mission attainment at the right cost and in the right locations.

Human Capital Management and Operations, Including COVID-19 Response and "Future of Work"

In addition to agencies' focus on assessing current human capital and HR challenges and opportunities, the Administration is also engaging in analysis and decisions to be made around a vision for Federal workforce policies and Federal workplaces of the future. As part of the PMA, OPM, the General Services Administration (GSA), OMB are working together—with other Federal agencies through the President's Management Council—to inform new policies, tools, and resources needed to achieve that vision.

OMB, OPM and GSA have collaborated on guidance to agencies to help inform agency planning for post-reentry work environments, which, among additional principles and considerations, emphasized the importance in agency planning for how to best deliver on agency missions, empower decision-making within agencies, promote a flexible and agile workforce, and strengthen diversity, equity, inclusion, and accessibility, in consultation with—and consideration of—local communities and stakeholders.

As agencies foster increasingly hybrid and technology-enabled work environments, as well as expansions of remote and distributed work and other flexible ways of working, OMB, OPM, and GSA have also developed resources to support agencies during this period of transition. For example, OPM launched a Future of Work webpage in November 2021, which connects agency leaders and HR practitioners with newly issued guidance and tools, such as the 2021 Guide to Telework and Remote Work in the Federal Government, that support effective human capital management practices and promote innovation.

The "future of Federal work" is not an end state that will someday be achieved. It is inherently an evolving process. Rather than providing a prescriptive set of new policies and rules that agencies must follow in determining future work arrangements, the Administration is committed to encouraging innovation, creativity, experimentation, learning, and evidence-building in different work environments. By utilizing expanded flexibilities in work arrangements and increased adoption of technology similar to private sector strategies, the Government will enhance its ability to recruit and retain top talent.

In addition, the future of work is not limited to one aspect of the employee experience, it fully covers the entire employee lifecycle, from recruitment and onboarding to retirement. The overarching goal is to connect post-reentry workforce planning to long-term trends, facilitating

⁴2020 Federal Employee Viewpoint Survey, U.S. Office of Personnel Management.

Table 7-3. TOTAL FEDERAL EMPLOYMENT
(As measured by Full-Time Equivalents)

Description	2021 Actual	2022 Estimate	2023 Estimate	Change: 2022 to 2023	
				FTE	PERCENT
Executive Branch Civilian:					
All agencies, Except Postal Service	2,183,067	2,206,257	2,288,566	82,309	3.6%
Postal Service ¹	580,736	566,431	560,217	-6,214	-1.1%
Subtotal, Executive Branch Civilian	2,763,803	2,772,688	2,848,783	76,095	2.7%
Executive Branch Uniformed Military:					
Department of Defense ²	1,406,795	1,394,943	1,371,769	-23,174	-1.7%
Department of Homeland Security (USCG)	41,493	42,510	42,967	457	1.1%
Commissioned Corps (DOC, EPA, HHS)	6,302	6,345	6,438	93	1.4%
Subtotal, Uniformed Military	1,454,590	1,443,798	1,421,174	-22,624	-1.6%
Subtotal, Executive Branch	4,218,393	4,216,486	4,269,957	53,471	1.3%
Legislative Branch ³	31,645	34,516	35,240	724	2.1%
Judicial Branch	33,041	33,775	34,556	781	2.3%
Grand Total	4,283,079	4,284,777	4,339,753	54,976	1.3%

¹ Includes Postal Rate Commission.

² Includes activated Guard and Reserve members on active duty. Does not include Full-Time Support (Active Guard & Reserve (AGRSs)) paid from Reserve Component appropriations.

³ FTE data not available for the Senate (positions filled were used for actual year and extended at same level).

* Non-zero less than 0.1%

innovative approaches to achieve agency mission and promote employee health, wellbeing, and potential.

With the advent of increased telework and remote work, there is a need to consider how agency management processes, organizational structures, and resources support both the workforce and organizational and mission performance. Further, additional analysis will need to inform how Federal agencies manage support functions such as information technology systems and investments, agency real property, and the Federal real estate footprint. Investment to optimize the real property portfolio for a more agile workforce working in a more hybrid and distributed manner will limit rent expenditures in out-years and improve the portfolio's mission effectiveness.

Focused on mission, safety, and service, and informed by data, research, and input from Federal employee unions, local communities, and other stakeholders, Federal leaders and employees will continue working together to reevaluate assumptions about how and where work is performed.

Strategy 4: Build the personnel system and support required to sustain the Federal Government as a model employer able to effectively deliver on a broad range of agency missions

The Administration recognizes that to be a model employer and effectively support the Federal workforce requires a strong personnel system. Strategy 4 in the workforce pillar of the PMA focuses on building the capacity and capability of OPM as the strategic human capital leader for the Federal Government, including its ability to provide data-driven solutions and support, as well building the capabilities of the Federal HR workforce

to support agency mission delivery. OPM's FY 2022-26 strategic plan provides the foundation for delivering on these efforts.

OPM's strategic plan focuses on transforming OPM's organizational capacity and capability to better serve as the leader in Federal human capital management. There are targeted efforts that span the range of critical elements within the agency, in the areas of people, resources, Information Technology (IT), and culture, which more specifically aim towards:

- Building the skills of the OPM workforce and attracting skilled talent.
- Establishing a sustainable funding and staffing model for OPM that better allows the agency to meet its mission.
- Modernizing OPM IT by establishing an enterprise-wide approach, eliminating fragmentation, and aligning IT investments with core mission requirements.
- Promoting a positive organizational culture where leadership drives an enterprise mindset, lives the OPM values, and supports employee engagement and professional growth.

The strategic plan also focuses on providing innovative and data-driven solutions to enable agencies to meet their missions, including:

- Expanding the quality and use of OPM's Federal human capital data.
- Taking a data-driven and best practices approach to recruitment, assessment, and hiring strategies that strengthen and support diversity, equity, and inclu-

sion, and accessibility across the Federal Government.

- Improving data collection, use, and sharing to support agencies in the provision of more equitable services and successful implementation of DEIA focused programs and policies.

The Administration recognized the importance of strengthening the HR workforce by returning administration of the Chief Human Capital Officers (CHCO) Council to OPM. This reconnection will better enable the development of programs, policies, and support for the HR workforce across Government to better drive talent acquisition and management in support of agency mission delivery. The work will consider ways to improve HR workforce skills through training, certifications, rotation programs, and other methods to better equip the critical people who are at the core of supporting agency talent.

Federal Workforce Trends and Updates

The total Federal workforce is comprised of 4.3 million staff, with 2.2 million Federal civilian employees and 2.1 million military personnel, including members of the reserve forces. (See Tables 7–2 and 7–3).⁵ Using data from the Bureau of Labor Statistics on full-time, full-year workers, Table 7–4 breaks out all Federal and private sector jobs into 22 occupational groups to demonstrate the differences in composition between the Federal and private workforces. Table 7–5 summarizes total pay and benefit costs. Charts 7–4 and 7–5 present trends in educational levels for the Federal and private sector workforces over the past two decades, demonstrating a continuation in the

advanced educational attainment of Federal employees. Chart 7–6 shows the trends in average age in both the Federal and private sectors, reflecting the average age of Federal employees to be significantly higher than the average age of private sector employees. Chart 7–7 and Chart 7–8 show the location of Federal employees in 1978 and again in 2021. Chart 7–9 reflects the changing nature of work, comparing the number of employees in each General Schedule grade in 1950 versus 2021, showing an almost complete shift from lower-grade to higher-grade types of work.

In calendar year 2021, USAJOBS.gov hosted over 370,000 job announcements, facilitated 900 million job searches, and enabled individuals to begin more than 17 million applications for Federal jobs. More than 3,000 job announcements related to the Federal Government's COVID-19 response led individuals to begin nearly a million applications. OPM's Retirement Services processed almost 100,000 new retirement cases and about 30,000 survivor claims. The Federal Employees Health Benefits Program offers 275 plan options and had an average premium increase for non-postal plans of 2.4 percent for the 2022 benefit year. Additionally, the various responsible agencies completed about 2.37 million background investigations.

The Federal Government's efforts to identify policies and workforce strategies that foster high-performance workplaces and promote employee engagement will not only serve agencies in retaining qualified and dedicated workers, they will also result in the creation of a pipeline of qualified Federal leaders, yielding better service to the American public and increased trust in Government. By seeking to be an equitable, effective, and accountable Government that delivers results for all, the Federal Government will transform itself into being the model employer it envisions today for its workforce and people.

⁵December 2021, Active Duty Military Personnel By Service and Selected Reserve Personnel by Reserve Component, Defense Manpower Data Center, Department of Defense (<https://dwp.dmdc.osd.mil/dwp/app/dod-data-reports/workforce-reports>) DMDC Web (osd.mil).

Table 7-4. OCCUPATIONS OF FEDERAL AND PRIVATE SECTOR WORKFORCES
(Grouped by Average Private Sector Salary)

Occupational Groups	Percent	
	Federal Workers	Private Sector Workers
Highest Paid Occupations Ranked by Private Sector Salary		
Lawyers and judges	2%	1%
Engineers	4%	2%
Scientists and social scientists	4%	1%
Managers	13%	15%
Pilots, conductors, and related mechanics	3%	0%
Doctors, nurses, psychologists, etc.	9%	7%
Miscellaneous professionals	17%	11%
Administrators, accountants, HR personnel	6%	2%
Inspectors	1%	0%
Total Percentage	60%	38%
Medium Paid Occupations Ranked by Private Sector Salary		
Sales including real estate, insurance agents	1%	6%
Other miscellaneous occupations	4%	5%
Office workers	2%	5%
Automobile and other mechanics	2%	3%
Social workers	2%	1%
Drivers of trucks and taxis	1%	3%
Laborers and construction workers	3%	10%
Clerks and administrative assistants	12%	10%
Manufacturing	2%	7%
Law enforcement and related occupations	9%	1%
Total Percentage	37%	51%
Lowest Paid Occupations Ranked by Private Sector Salary		
Janitors and housekeepers	1%	2%
Other miscellaneous service workers	2%	5%
Cooks, bartenders, bakers, and wait staff	1%	4%
Total Percentage	3.8%	11.1%

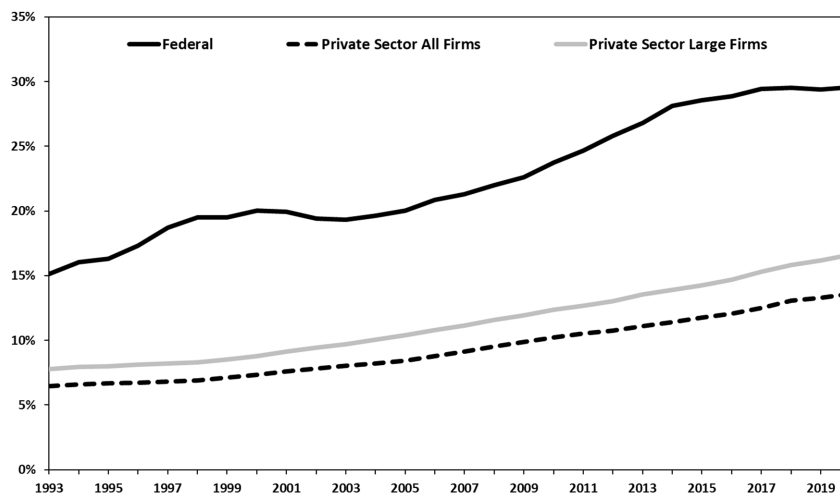
Source: 2017–2021 Current Population Survey, IPUMS-CPS, University of Minnesota, www.ipums.org.

Notes: Federal workers exclude the military and Postal Service, but include all other Federal workers. Private sector workers exclude the self-employed. Neither category includes State and local government workers. This analysis is limited to workers with at least 1,500 annual hours of work.

Table 7-5. PERSONNEL PAY AND BENEFITS
(In millions of dollars)

Description	2021 Actual	2022 Estimate	2023 Estimate	Change: 2022 to 2023	
				Dollars	Percent
Civilian Personnel Costs:					
Executive Branch (excluding Postal Service):					
Pay	220,715	227,486	248,781	21,295	9.4%
Benefits	101,971	104,270	108,718	4,448	4.3%
Subtotal	322,686	331,756	357,499	25,743	7.8%
Postal Service:					
Pay	41,062	41,819	41,754	-65	-0.2%
Benefits	12,147	10,613	10,765	152	1.4%
Subtotal	53,209	52,432	52,519	87	0.2%
Legislative Branch:					
Pay	2,491	2,593	2,945	352	13.6%
Benefits	896	983	1,109	126	12.8%
Subtotal	3,387	3,576	4,054	478	13.4%
Judicial Branch:					
Pay	3,545	3,748	4,430	682	18.2%
Benefits	1,288	1,305	1,338	33	2.5%
Subtotal	4,833	5,053	5,768	715	14.2%
Total, Civilian Personnel Costs	384,115	392,817	419,840	27,023	6.9%
Military Personnel Costs					
Department of Defense--Military Programs:					
Pay	114,662	113,970	119,524	5,554	4.9%
Benefits	56,887	59,872	62,269	2,397	4.0%
Subtotal	171,549	173,842	181,793	7,951	4.6%
All other Executive Branch uniform personnel:					
Pay	3,871	4,036	4,381	345	8.5%
Benefits	706	766	843	77	10.1%
Subtotal	4,577	4,802	5,224	422	8.8%
Total, Military Personnel Costs	176,126	178,644	187,017	8,373	4.7%
Grand total, personnel costs	560,241	571,461	606,857	35,396	6.2%
ADDENDUM					
Former Civilian Personnel:					
Pensions	93,952	99,424	104,835	5,411	5.4%
Health benefits	13,595	14,330	14,648	318	2.2%
Life insurance	41	40	41	1	2.5%
Subtotal	107,588	113,794	119,524	5,730	5.0%
Former Military Personnel:					
Pensions	65,186	68,522	74,158	5,636	8.2%
Health benefits	11,498	11,852	12,963	1,111	9.4%
Subtotal	76,684	80,374	87,121	6,747	8.4%
Total, Former Personnel	184,272	194,168	206,645	12,477	6.4%

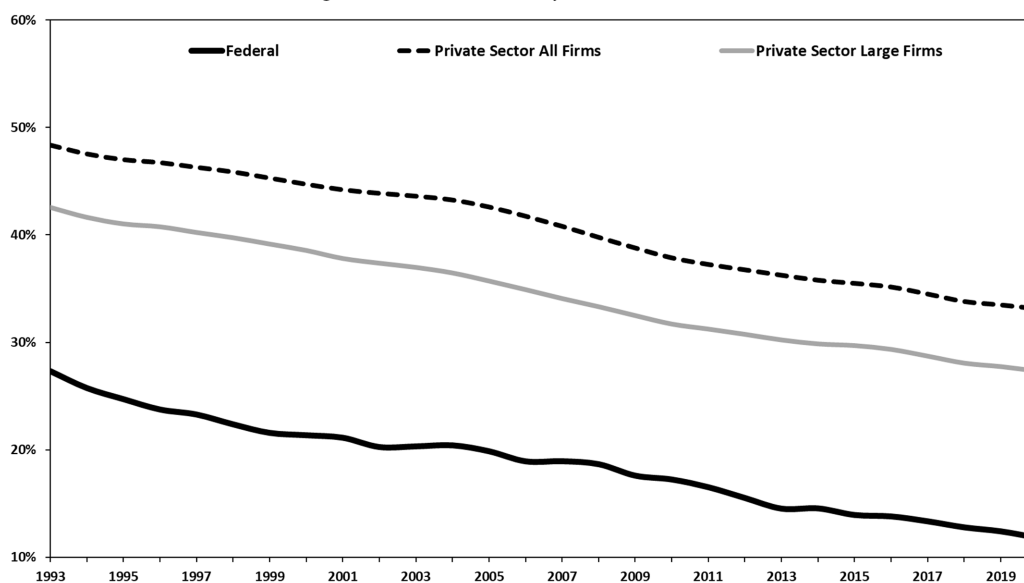
Chart 7-4. Masters Degree or Above By Year for Federal and Private Sectors



Source: 1992-2021 Current Population Survey, IPUMS-CPS, University of Minnesota, www.ipums.org.

Notes: Federal excludes the military and Postal Service but includes all other Federal workers. Private Sector excludes the self-employed. Neither category includes State and local government workers. Large firms have at least 1,000 workers. This analysis is limited to workers with at least 1,500 annual hours of work, and data is five-year averaged through 2018 (2019 averages 2017-2020, and 2020 averages 2018-2020). Industry is from the year preceding the year on the horizontal axis.

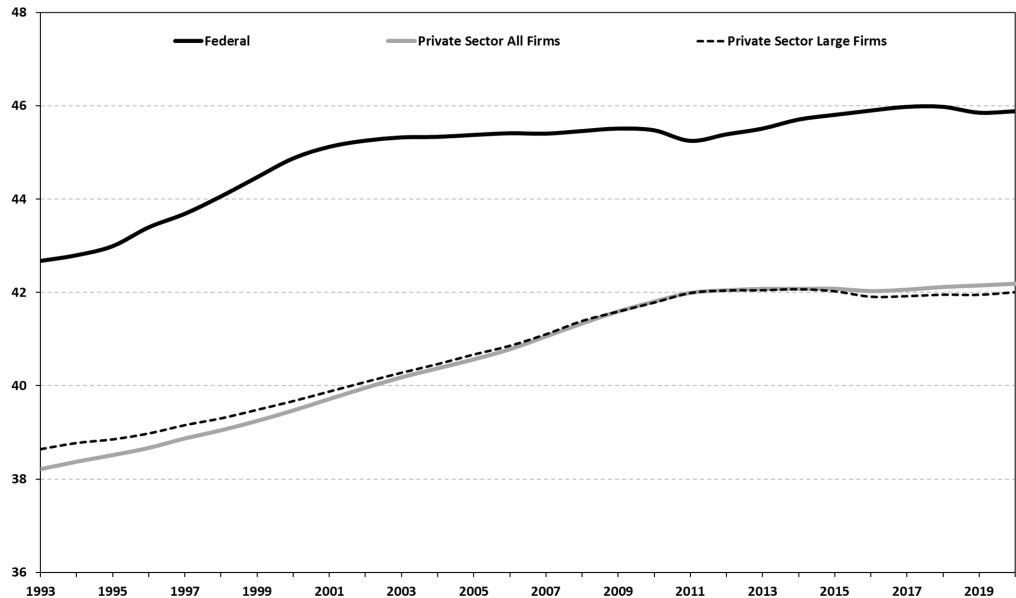
Chart 7-5. High School Graduate or Less By Year for Federal and Private Sectors



Source: 1992-2021 Current Population Survey, IPUMS-CPS, University of Minnesota, www.ipums.org.

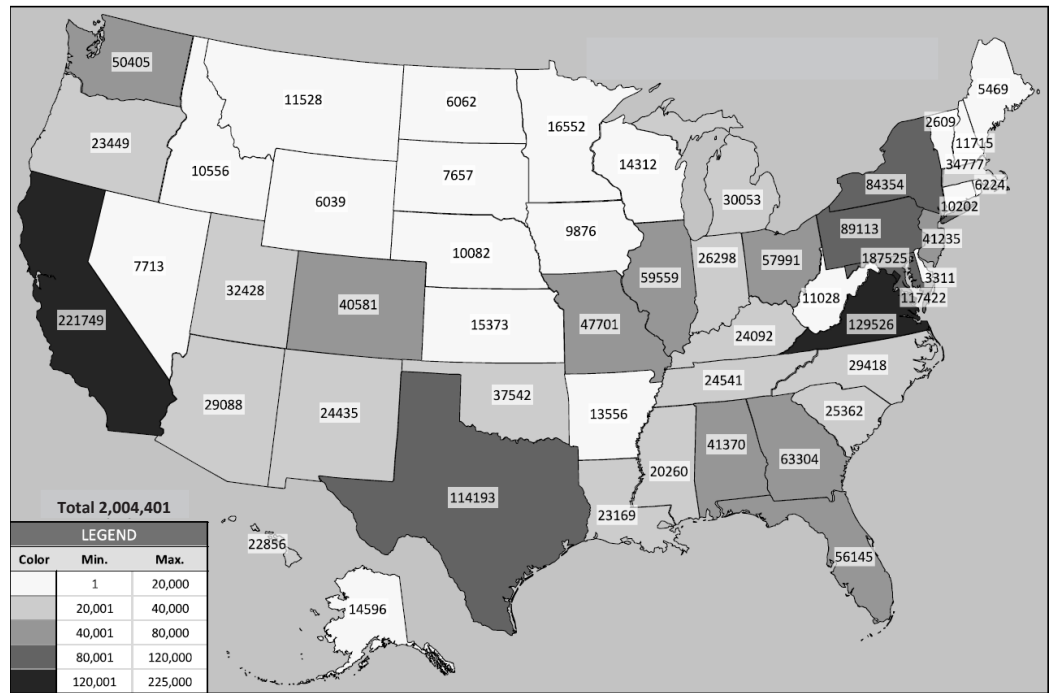
Notes: Federal excludes the military and Postal Service but includes all other Federal workers. Private Sector excludes the self-employed. Neither category includes State and local government workers. Large firms have at least 1,000 workers. This analysis is limited to workers with at least 1,500 annual hours of work, and data is five-year averaged through 2018 (2019 averages 2017-2020, and 2020 averages 2018-2020). Industry is from the year preceding the year on the horizontal axis.

Chart 7-6. Average Age by Year for Federal and Private Sectors



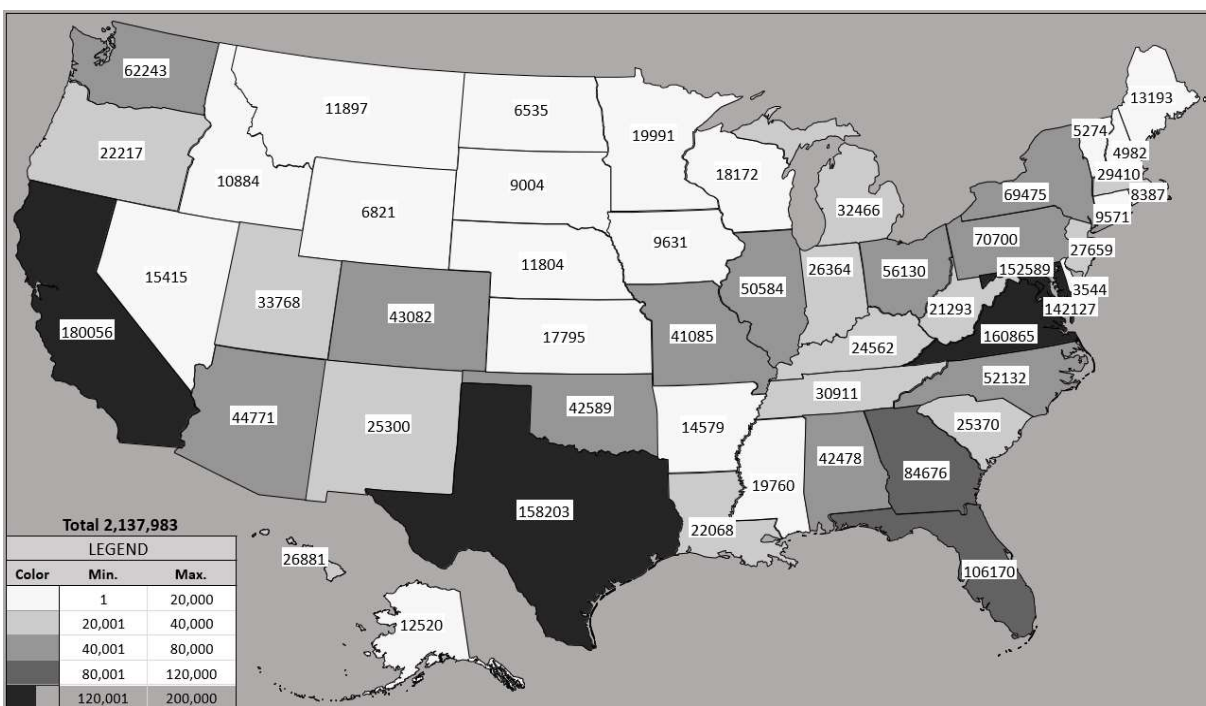
Source: 1992-2021 Current Population Survey, IPUMS-CPS, University of Minnesota, www.ipums.org.
Notes: Federal excludes the military and Postal Service but includes all other Federal workers. Private Sector excludes the self-employed. Neither category includes State and local government workers. Large firms have at least 1,000 workers. This analysis is limited to workers with at least 1,500 annual hours of work, and data is five-year averaged through 2018 (2019 averages 2017-2020, and 2020 averages 2018-2020). Industry is from the year preceding the year on the horizontal axis.

Chart 7-7. GOVERNMENT-WIDE ON-BOARD U.S. DISTRIBUTION 10-1-1978



Source: Office of Personnel Management.

CHART 7-8. GOVERNMENT-WIDE ON-BOARD U.S. DISTRIBUTION 9-30-2021



Source: Office of Personnel Management

Chart 7-9. The Changing General Schedule Workforce

